



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: May 31, 2001 REPORT NO. 01-114

ATTENTION: Public Safety & Neighborhood Services Committee
Agenda of June 6, 2001

SUBJECT: Extension of Emergency Medical Services (EMS) Agreements

REFERENCE: City Manager Report 00-198, dated September 29, 2000
City Manager Report 98-190, dated September 23, 1998
City Manager Report 98-40, dated February 20, 1998
City Manager Report 97-169, dated September 18, 1997
City Manager Report 97-89, dated May 2, 1997

SUMMARY

Issues - 1) Should the Public Safety and Neighborhood Services Committee approve the continuation of paramedic services provided by San Diego Medical Services Enterprise, L.L.C. by approving extensions to the current Emergency Medical Services agreements? 2) Should the Public Safety and Neighborhood Services Committee direct the City Manager to negotiate extensions to the Emergency Medical Services agreements associated with the provision of paramedic services?

Manager's Recommendation - Approve the continuation of paramedic services provided by San Diego Medical Services Enterprise, L.L.C. by approving extensions to the current Emergency Medical Services agreements. Direct the City Manager to negotiate extensions to the Emergency Medical Services agreements associated with the provision of paramedic services.

Physicians Oversight Board Recommendation - Extend the Emergency Medical Services agreements to continue services currently provided by San Diego Medical Services Enterprise, L.L.C.

Emergency Medical Services Oversight Board Recommendation - Extend the Emergency Medical Services agreements to continue services currently provided by San Diego Medical Services Enterprise, L.L.C.

Fiscal Impact - None with this action. The fiscal impacts of the agreement extensions will be determined during the negotiation process. The City Manager will return to

Public Safety and Neighborhood Services with the fiscal impact when the agreement extensions are returned for approval.

BACKGROUND

In 1996, the City Council directed the redesign of the City's Emergency Medical Services (EMS) System. The direction of the City Council was to design an EMS system which had three guiding principles: 1) maintain appropriate clinical quality, 2) deliver services in a cost-effective manner, and 3) to assure that the changes recommended were implementable. This redesign project resulted in a system which was configured to provide optimal EMS service to citizens while establishing fiscal viability. The EMS system design envisioned paramedic first responder fire engines and ambulances staffed with one paramedic and one emergency medical technician (EMT) working together to provide rapid service delivery, and a tiered dispatch system to maximize resources while partnering with managed care organizations.

The City of San Diego conducted a procurement process and awarded the medical transportation component to a bid submitted jointly by San Diego Fire & Life Safety Services and Rural/Metro Corporation. San Diego Medical Services Enterprise (SDMSE), a limited liability company was created between the City of San Diego and Rural/Metro of San Diego, Inc. There are four specific components of the EMS system now in place: 1) the dispatch center where 9-1-1 calls are received and dispatch occurs; 2) the EMS medical transportation component is provided by SDMSE through four paramedic agreements (LLC Agreement, EMS Agreement, City Agreement and Rural Agreement); 3) the paramedic first responder component provided by Fire and Life Safety Services (FLSS) engines, and 4) the medical oversight component through the agreement with the University of California, San Diego (UCSD) Medical Center for medical direction and oversight provided by Dr. James V. Dunford to ensure clinical quality of the entire system.

The regulatory oversight of paramedic services throughout the County of San Diego is the responsibility of the County of San Diego, EMS Division. The County grants authority to the City to provide EMT-Paramedic services within the boundaries of the City through an agreement between the City and County of San Diego as well. The City/County EMS Agreement mandates the appointment of an individual to serve as liaison between the various agencies operating within the service area and to provide independent oversight of the EMS system. The administration and oversight of the Agreements with SDMSE, FLSS and the County are the responsibility of the EMS Program Manager, who is organizationally located in Financial and Management Services.

DISCUSSION

The current EMS Agreement (§ 2.2) requires that "Each offer of extension shall be made to SDMSE by the City at least nine (9) months prior to the scheduled end of the term". As such, the City must notify SDMSE, no later than September 30, 2001, whether the current agreements will be extended or that a Request for Proposals (RFP) to rebid the paramedic transportation system will be issued. If the decision is to issue an RFP, California state law requires that the entire paramedic medical transport system component must be included in the competitive bid process.

San Diego Fire & Life Safety Services would retain paramedic first responders, however the entire transportation, dispatch and clinical oversight portions would be included in the RFP.

The current EMS system has been reviewed by the EMS Oversight Board and the Physicians Oversight Board as required by the EMS Agreement (§ 2.2). The continuation of the services provided by SDMSE is highly recommended by both groups. One physician made the following reference to the system in his letter regarding the current system, “[SDMSE] has done an outstanding job in its first few years in providing EMS here. I highly recommend that their contract be renewed so that the benefits of this system can continue to unfold.”

The current provider, SDMSE, a combined effort of San Diego Fire & Life Safety Services and Rural/Metro of San Diego, Inc., is in the fourth year of operations. During the term of the current agreements, the service provided to the citizens and visitors of San Diego has markedly improved. The service level provided by SDMSE is measured by various standards defined in the agreements. The response times measured over the life of the agreements have exceeded the mandatory requirements with the Priority 1 and 2 response time of 12 minutes 90% of the time having been met 93.7% of the time, and the Priority 3 response time of 15 minutes or less 90% of the time having been met 91.6% of the time.

Response times have continued to exceed requirements, even as requests for medical assistance through 9-1-1 has increased almost six percent (6%) since July, 1997 (from 63,912 requests in Fiscal Year 1998 to 67,737 requests in Fiscal Year 2000). The increasing numbers of citizens with little or no health insurance places the 9-1-1 system in the position of being a primary access point for health care for many individuals in our community. The shifting demographics of the community and the increasing numbers of senior citizens has also resulted in additional requests for emergency and non-emergency medical aid through 9-1-1. The increasing numbers of requests for assistance have required that the EMS system managers assure the system operates at its optimal level of service. SDMSE has provided numerous community education presentations to senior and children groups on access to 9-1-1, how to determine if they need to call, and ways to include injury and fall prevention in their lives to reduce the potential that they will need to access 9-1-1. These public information efforts, along with vigilant oversight of system resources have enabled SDMSE to continue to meet response times, even with increasing numbers of responses.

The quality assurance requirements of the contract continue to be met, with most areas having been exceeded. The clinical oversight of the services provided is a continuing process performed by a registered nurse, working with the EMS Medical Director. This nurse reviews clinical skills performed, identifies areas for additional training and learning opportunities for the paramedics and EMTs, and observes clinical care in the field. SDMSE has implemented a process whereby data from the clinical side of the system is utilized for data driven decision making by the leadership team for system changes, implementing new dispatch levels, clinical skills and purchasing improved medical equipment and supplies.

SDMSE has been able to increase the numbers of paramedics by seventy-five percent (75%), from approximately 190 to over 350, with more than 75 single-role paramedics being cross

trained as firefighter/paramedics. The number of paramedic response vehicles has increased fifty percent (50%) from approximately 45 to 70, thereby increasing the speed of the arrival of a paramedic to the person requesting aid. Four additional rescue ambulances have been added to the fleet enabling fire fighter/paramedics to arrive with critical rescue equipment such as the jaws of life and other extrication equipment. These ambulances have enhanced the rescue fleet of Fire and Life Safety Services while continuing to provide EMS services as well.

Improved financial stability of the EMS system has been attained through award of contracts with hospitals, medical groups and managed care organizations to provide emergency and non-emergency medical transportation. The Port District contracts with SDMSE for the provision of a dedicated paramedic ambulance at the San Diego International Airport eighteen hours per day, as well as the administration of their new Automatic External Defibrillator (AED) Program. SDMSE will provide training to Port District employees, debriefing services upon activation of an AED, and other administrative services. Other service contracts are pending, and will continue to improve the fiscal health of SDMSE. The unique public-private blend created by SDMSE combines the service to the community, common to public agencies, with the management and business philosophies of private enterprise.

Other improvements to the system brought by SDMSE include:

- Replacement of the aging Computer Aided Dispatch (CAD) Computer system with a state-of-the-art CAD which is utilized to dispatch crews to fire and medical incidents;
- Training all dispatchers to the Emergency Medical Dispatcher (EMD) level;
- Station and facility improvements at Fire Communications, Repair Facility, Stations 31 (Del Cerro), 32(Paradise Hills), 36 (Clairemont), and 39 (Tierrasanta); and
- SDMSE funds 3.3 Battalion Chief positions in San Diego Fire, increasing the Battalions from six to seven and improving supervision in the EMS and Fire Operations area.

In 1998, the County of San Diego, through its EMS Division, performed an audit of the entire EMS system in San Diego. This audit, required by the regulatory oversight delegated to the County by the State EMS Authority, found that the clinical quality assurance program and the clinical improvements made to the EMS system by SDMSE was “exceptional”. This audit evaluated specific areas of measurement required by the City/County EMS Agreement. This Agreement provides authority to the City to implement the EMS paramedic service and the evaluation points encompasses response times by the first responders as well as the transport ambulances, the clinical training provided, the accuracy and skills of the paramedics and EMTs and the adherence with State and Local paramedic regulations. The audit also assessed the use of data management and analysis used by SDMSE to track compliance with the contract requirements, including response times, community service, and public education as well as individual skill levels which have all been met or exceeded.

The current EMS system in San Diego is on the leading edge of quality systems across the nation. A few of the areas include:

- The dispatch center has received accreditation for quality in the area of medical triage and ability to quantify the adherence to strict protocols and measure both the quality of the questions asked of callers as well as the pre-arrival instructions provided on what to do before the paramedics arrive. The Fire Communications Center is one of thirty dispatch centers in the world to have attained this rating of excellence in dispatch;
- Tracking and trending of paramedic skills through data to ensure all paramedics, regardless of their assignment, rotate to ambulances and receive additional education in specific skills in order to maintain their skill levels and patient contacts;
- Replacement of capital equipment, such as ambulances and defibrillators has been on schedule;
- Improved field clinical equipment purchased by SDMSE (e.g. capnographers, pulse oximetry);
- Development of patient record software for use in the Palm Pilot environment to enable paramedics in the field to prepare and transfer reports via infrared transfer;
- Participation in numerous clinical trial studies for improving service (e.g. Rapid Sequence Intubation (RSI) of head-injured patients, Utstein CPR Study);

SDMSE's operation has resulted in annual profits which are split between the two partners. Since the inception, gross profits exceed \$7 million. As directed by City Council, the City's share of revenues from profit distributions, fifty percent (50%) of the gross profit, has been reinvested into the EMS system, funding dispatch software, an administrative staff position at Fire Communication Center and staffing for four ambulances. While it is anticipated that SDMSE will continue to operate with a profit, the profit levels are anticipated to decline due to changes in Medicare reimbursement rates.

SUMMARY

The current EMS agreements require notification of intent to extend the agreements to SDMSE no later than September, 2001. The steps which must be completed to meet that deadline are as follows:

- PS&NS Committee directs the City Manager to negotiate extensions to the agreements;
- Upon completion of the negotiations, the City Manager returns to PS&NS Committee with negotiated agreements including any changes that are recommended;
- PS&NS Committee considers the City Manager's recommendations, and then if approved, moves the item to full City Council for consideration; and
- If approved, the City Manager implements the extended Agreements on July 1, 2003 to continue the EMS services provided by SDMSE.

San Diego Medical Services Enterprise, L. L. C. is a unique and successful provider of emergency medical and medical transportation. The service provided to the citizens of San Diego far exceeds any prior contractor. The unique blend of public and private philosophies combine to bring out the best of both service delivery types. The dedication of every employee, whether from Rural/Metro or San Diego Fire, is the primary reason the current EMS system is successful.

Through an extension of the various agreements, the EMS system in San Diego will continue to improve the quality of care as well as to continue to keep San Diego's EMS system on the forefront of technology and improving clinical quality and skills.

ALTERNATIVES:

1. Do not accept the recommendations and direct the City Manager to prepare a Request for Proposal (RFP) to replace San Diego Medical Services Enterprise, L. L. C. as the provider of EMS medical transportation. This is not recommended based upon the fact that SDMSE has exceeded the mandatory requirements in the current agreements for services, has provided a high level of service to citizens and has made improvements in the EMS service delivery system. In addition, the Physicians and EMS Oversight Boards have unanimously endorsed the renewal of the current EMS agreements as a result of the quality of the service provided.

Failure to renew the existing agreements will result in significant costs to the City prior to the transition to a new provider in the form of payments to purchase equipment, station improvements and ambulances acquired through capital investments of SDMSE and the costs associated with the RFP process to select a new provider of EMS services.

Respectfully submitted,

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Approved: Patricia T. Frazier
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NUÑEZ/PN